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西安海天天綫控股股份有限公司
XI'AN HAITIAN ANTENNA HOLDINGS CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8227)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
THE ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Reference is made to the announcement of Xi'an Haitian Antenna Holdings Co., Ltd.* (the "**Company**", together with its subsidiaries, the "**Group**") dated 24 March 2017 in relation to the annual results announcement of the Group for the year ended 31 December 2016.

The Company wishes to provide additional information in relation to impairment loss recognised in respect of trade receivables of approximately RMB21.58 million during the year ended 31 December 2016 as follows:

Generally, the Group's trade receivables were individually determined to be impaired at the end of each reporting period. The policy of the Group for making impairment loss on trade receivables is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these trade receivables, including the current creditworthiness and the past collection history of each debtor. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions.

In view of business development and customer base diversification of the Group during the year ended 31 December 2016, the operations of the Group were mainly developed into 5 reportable and operating segments. Certain types of products and services were no longer provided to certain customers and no revenue was and would be generated from certain customers during the year and in the foreseeable future. Accordingly, consideration in respect of future revenue generation from certain customers was also taken in assessment of impairment loss on trade receivables, especially for those receivables overdue 1 year.

Based on judgement of management, review by audit committee and discussion with auditor of the Company, impairment loss on trade receivables of approximately RMB11.91 million and approximately RMB9.67 million was recognised for the segment of antenna products and related services and the segment of underwater surveillance and related products respectively during the year. A vice general manager of the Company was arranged to responsible for organising the collection for those impaired trade receivables, including negotiation of instalment arrangement with customers, holding of collateral in respect of outstanding amounts and consideration of legal procedures on debts settlement.

By order of the Board
Xi'an Haitian Antenna Holdings Co., Ltd.*
Chen Ji
Chairman

Xi'an, the People's Republic of China, 31 March 2017

As at the date of this announcement, the Board comprises Mr. Chen Ji (陳繼先生) and Mr. Xiao Bing (肖兵先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Zuo Hong (左宏先生), Ms. Huang Jing (黃婧女士) and Mr. Yan Weimin (燕衛民先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), Professor Shi Ping (師萍教授), Mr. Tu Jijun (涂繼軍先生) and Mr. Laio Kang (廖康先生) being independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.xaht.com>.

* for identification purpose only